

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:2007
ANSWERED ON:03.08.2001
REFINED OIL COMPANIES
C. SREENIVAASAN;PUTTASWAMY GOWDA

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether domestic refined oil companies are facing stiff competition from refined oil companies from Nepal and Malaysia;
- (b) if so, the details thereof; and
- (c) the steps taken to safeguard the interests of domestic refined oil companies?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (C. SREENIVASA PRASAD)

(a)&(b): Import of edible oils, crude or refined, except coconut oil is under OGL. With effect from 1.3.2001, the duty on crude edible oils except crude soyabean oil has been raised to 75%. In case of crude soyabean oil, the duty is 45% due to WTO binding. The duty on refined edible oils, except Soyabean Oil, is 85% basic plus 4% Special Additional Duty (SAD). In case of soyabean oil, the duty (basic) is 45% due to WTO binding plus 4% SAD. However, import of refined edible oils & vanaspati from Nepal is allowed duty free, under the Indo-Nepal Treaty of Trade. Therefore, the Indian refined edible oil industry and vanaspati industry face stiff competition from refined edible oil and vanaspati imports from Nepal.

(c): In order to harmonise the interests of the oilseed growers, the consumers & the domestic refined oil and vanaspati industry, the steps taken by the Government include the following :

(i) Import duty on refined oils has been raised to 85% (basic) and 45% (basic) on soyabean oil (due to WTO binding) effective from 1.3.2001.

(ii) Duty on Crude Edible Oils has been kept low as compared to refined oils to enable refined oil manufacturing units to compete with others.

(iii) Use of 25% indigenous oils has been made mandatory in the manufacture of vanaspati.